BOARD of SUPERVISORS

City Hall
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LEGISLATIVE POLICY ANALYSIS

July 19, 1990

DOCUMENTS DEPT.
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SAN FRANCISCO

CHARITABLE SOLICITORS ORDINANCE

SUMMARY

On Monday the Board of Supervisors will consider two proposed amendments to the Police Code regarding regulation of persons selling merchandise on behalf of charitable organizations (charitable solicitors). Both items have been recommended unanimously by the City Services Committee. File 121-90-3 is designed to strengthen restrictions on time, place and manner in which charitable solicitation may occur; to increase the information which charitable organizations must disclose in order to register; to hold charitable organizations responsible for the activities of their employees or volunteers; and to increase penalties for violation of the ordinance and include a forfeiture procedure. File 121-90-4 amends the Police Code regarding commercial peddlers to keep it consistent with regulations regarding charitable solicitations by disallowing any peddling in a designated area of Fisherman's Wharf.

CURRENT LAW

The Municipal Police Code contains sections regulating the sales activities of both commercial peddlers and charitable solicitors (Sections 869 et seq. and Sections 660 et seq., respectively). Under current law, the particular requirements and regulations differ in many aspects of time, place and manner of sales. The proposed amendments bring many of the restrictions imposed by the two sections into closer conformity.

Commercial Peddlers

Article XIII, Section 869 et seq. regulate the sale of merchandise on San Francisco streets and sidewalks by commercial peddlers. This section requires that persons wishing to peddle must obtain a permit to peddle from the Chief of Police, pay fees and be granted a license to peddle. Permits issued by the Chief of Police may specify a location which must be more than 2 blocks or 600 feet, whichever is further, from any established business or other peddler selling the same type of food or merchandise. Restrictions for commercial peddlers on time, place and manner of sale are also contained in Section 869 et seq., including the following:

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* The location must leave a sidewalk space of at least 10 feet in width for unobstructed passage by pedestrians.

* The peddler may not occupy a space larger than one extending 4-1/2 feet from the curb, 4 feet across, and five feet above the sidewalk.

* The peddler may not be on a sidewalk adjacent to a white, yellow, blue or red curb zone.

* Except for licensed produce peddlers, peddlers may not sell within "P" districts defined in the City Planning Code, located on Twin Peaks.

Commercial peddling permits may be issued only to individual persons, not to businesses or partnerships, and the peddling stand must be operated by that person at least 50% of the time. Peddlers must have a peddler identification card issued by the Chief of Police with them at all times while operating. Peddlers violating any part of Sections 869 et seq. are fined an amount between $10 and $100.

Charitable Solicitors

Article 9.6, Section 660 et seq. require that charitable organizations wishing to sell goods on public streets or sidewalks obtain a certificate of registration from the Chief of Police after disclosing organizational and financial information and paying a registration fee. The required information may be submitted in any format chosen by the organization. The certificate of registration must be renewed every 6 months. Persons operating stands for charitable solicitors must display an identification card issued by the Chief of Police. These persons must also have available for distribution a card detailing information regarding the charitable purposes to which money collected will go and giving other information about the charity and the person operating the stand. Tables operated by charitable solicitors must also display a two square foot sign giving certain information about the charitable organization and the use of funds. Charitable solicitors are subject to time, place and manner regulations, including the following:

* The location must leave a sidewalk space of at least 6 feet in width for unobstructed passage by pedestrians.

* The charitable solicitor's table may be set up on either the curb or the building or property side of the sidewalk. In either case, the table may not be less than 18 inches from the edge of the sidewalk, nor may it extend more than 4-1/2 feet into the sidewalk.

* The charitable solicitor may not occupy a space larger than one which is 4 feet across and 5 feet above the sidewalk, nor one which is within 12 inches of a window of any building.

* Charitable solicitors may not operate on the street side of any sidewalk adjacent to a curb that has been designated as a bus zone or a white, green, yellow, or blue zone.

These time, place and manner restrictions were developed to regulate the sale of books and other purely expressive items. The sale of items such as T-shirts, sweatshirts and caps, which are not purely expressive, was to be regulated as commercial peddling. As a result of a District Court decision, the sale of T-shirts, caps and other items which are not purely expressive, but do carry a message for a non-profit organization, may only be regulated as charitable sales and not as commercial peddling.

The current infraction penalty for violation of any part of the charitable solicitors ordinance ranges from $75 to $100.

PROPOSED CHANGES

The proposed ordinances (Files 121-90-3 and 121-90-4), based on input from the Task Force on Charitable Solicitation, attempt to address areas of substantial interest for the City and to alleviate some of the problems voiced by residents, merchants and tourists. As described in the Legislative Digest, the proposed amendments strengthen regulations on charitable solicitation by:

* increasing the open sidewalk space requirements from 6 to 8 feet

* prohibiting sales on the building side of the sidewalk

* prohibiting sales on sidewalks adjacent to yellow, white, blue or green curb, or bus zones

* prohibiting charitable solicitation and commercial peddling in areas such as Twin Peaks and certain areas of Fisherman's Wharf

* putting regulation of Park property under the Park Code

* increasing the amount of information the charitable solicitors are required to disclose when registering

* making charitable organizations and commercial fundraisers responsible for the activities of their employees

* increasing penalties for violation of the charitable solicitation ordinance

* providing for forfeiture of goods being sold in violation of the ordinance.

ANALYSIS

These two proposed ordinances address increasing dissatisfaction on the part of city businesses, residents and visitors regarding the plethora of charitable solicitors who are selling items in most areas of the City which are frequented by tourists. The Ninth Circuit Court of Appeals recently upheld an injunction against enforcement of Chapter 9.6 Section 660.2 (j) of the Police Code which was designed to address this problem. The city has identified three areas of substantial interest with regard to this matter: public safety, esthetics and unfair competition for businesses which cater to tourists. The proposed amendments address these areas of interest, and attempt to mitigate some of the problems which have been raised by city businesses, residents and visitors. The ordinances do not address the particular issues which are currently being scrutinized in the courts, in order to avoid problems with the further appeal by the City Attorney.

Background

The issue of whether and to what extent the City may regulate activities of persons selling merchandise on behalf of charitable organizations arose as a result of the December 1983 prosecution of a charitable solicitor who violated Municipal Police Code Sections 869 et seq. by selling goods on public streets or sidewalks without a permit from the Chief of Police. The solicitor argued that she was exempt from these requirements because she was selling on behalf of an organization holding 501(c)(3) tax status. The judge dismissed the case, an action which was followed by an increase in the number of persons soliciting for charitable purposes. In May of 1985, the Chief of Police wrote a letter to the City Attorney stating that the number of persons selling goods as charitable solicitors had increased, that these persons were occupying large areas of Market Street and downtown sidewalk space, and that the situation had resulted in numerous complaints from street artists, downtown merchants and licensed peddlers.

In December 1985, the Board of Supervisors, in response to the numerous complaints and a request for direction from the Police Department, considered an ordinance (No. 11-86) to regulate sales by charitable solicitors. In January 1986, the ordinance was approved and became Article 9.6 of the Municipal Police Code. The ordinance became effective February 17, 1986. The ordinance required non-profit organizations selling on public sidewalks to register with the Police Department. This requirement did not apply to the sale of books or other items with no intrinsic value other than that of the message that they communicate. Responding to continuing complaints from tourists, merchants and other citizens regarding inadequate regulation of sales by charitable organizations, the Board of Supervisors approved amendments to Section 660 et seq. in April of 1987. These amendments proscribed time, place and manner restrictions for charitable sales and required all individuals, including those employed by charitable organizations but excluding those selling merchandise with no intrinsic value other than to communicate a message, to obtain a peddling permit before selling on public streets.

In July of 1986 Gaudiya Vaishnava Society filed a suit against the City, seeking an injunction and declaratory relief with regard to the original charitable solicitors ordinance. In August 1986 the suit was joined by Greenpeace, San Francisco Nuclear Weapons Freeze Campaign, San Francisco Committee in Solidarity with the People of El Salvador, and the San Francisco Lesbian-Gay Freedom Day Parade and Celebration Committee. The Court issued a preliminary injunction in August 1986 and a permanent injunction in March 1988 against Section 660.2(j) of the amended ordinance as it applies to the sale of "merchandise constituting or making a statement carrying a religious, political, philosophical, or ideological message relevant to the purpose of the organization." The District Court found that the sale of these "expressive" items is protected by the First Amendment and that the requirement that organizations obtain a permit before selling is unconstitutional as the permit system is discretionary and restrictive. The City appealed the decision, but in April 1990 the Ninth Circuit Court of Appeals ruled to uphold the injunction, although in modified form.

Since the City was enjoined from enforcing Section 660.2(j), the number of persons selling merchandise as charitable solicitors has increased rapidly and the number of complaints made by merchants, tourists, street artists, and citizens has also escalated. The City Attorney has outlined optional responses to the charitable soliciting problems: (1) seeking review by the Ninth Circuit and, if necessary, the U.S. Supreme Court, (2) making administrative enforcement changes, and (3) adopting legislative changes. Following the Ninth Circuit Court of Appeals decision, a Task Force on Charitable Solicitation was established to address the charitable soliciting problems. The Task Force included representatives of the Police Department, the Street Artists Program, the Union Square Association, the Fisherman's Wharf Association, the Department of Public Works, the Port of San Francisco, and the District Attorney's Office. This Task Force has had ongoing input into the types of actions proposed to remedy some of the problems posed by charitable solicitors. The City Attorney will seek en banc review by the Court of Appeals, continuing to argue that the sale of goods such as T-shirts which have an intrinsic value other than that of the message which they carry, is not protected speech and that the City has significant interests in restricting the activities of charitable solicitors. The proposed amendments reflect legislative changes which members of the Task Force agreed upon as ways to substantially improve upon the current situation without jeopardizing the ongoing court case.

Areas of Substantial Interest Supporting a Change in the Law

The City and County of San Francisco has identified several areas of substantial interest which have led to the determination that sales by charitable solicitors should be regulated. These areas of interest include: Public safety, esthetics, and the maintenance of a fair competitive environment for established businesses. Complaints received by the City Attorney, members of the Board of Supervisors, Merchants Associations and the Mayor's Office provide substantial evidence that under the current regulations the sale of merchandise by charitable solicitors hinders the accomplishment of each of these areas of interest. (Several examples of statements letters regarding this matter are attached).

Public Safety: Charitable solicitors generally set up tables in tourist areas where there is heavy foot traffic, many times with several solicitation tables close together in a row. This creates crowding on the sidewalks and often dangerously forces persons to walk into the streets in traffic lanes, or on cable car lines in turnaround areas in order to get around the crowds. The problem is particularly troublesome for handicapped persons for whom passage on the sidewalk and sidewalk ramps is sometimes blocked. Over the last several years, complaints have been filed by the merchants, the street artists program, residents, and tourists, regarding the hazards posed when persons are forced off the sidewalk because their passage is impeded by charitable solicitors selling merchandise and the crowds which gather around the tables. Charitable solicitors tables and the crowds which gather around them have been seen to impede access to private residences, busses and transit entrances, cable cars, and businesses. Public safety has also been threatened by violent incidents which have occurred involving charitable solicitors. Several participants in the street artists program have reported being threatened and harassed by charitable solicitors. In addition, tourists and merchants have reported scenes involving physical threats and physical confrontations among charitable solicitors, apparently over "rights" to locations.

The City also has an interest in protecting its residents from fraud and misrepresentation. There are 18 charitable organizations currently registered with the police department to engage in sale for charitable purposes. Numerous letters, complaints and anecdotal observations call into question the validity of some organizations' purported charitable purpose and the extent to which charitable organizations are used as a front for commercial T-shirt vendors. Current law does not require disclosure of an adequate amount of information to effectively determine whether the public is being subjected to fraud and misrepresentation on the part of the charitable solicitors. Nor does it assure the ability to prosecute organizations which employ individual solicitors.

Esthetics: Tables filled with tourist T-shirts and sweatshirts detract from the esthetic enjoyment of scenic areas of San Francisco and the visibility on streets in the downtown area. Many merchants, city residents and tourists have complained of the proliferation of T-shirt stands in Fisherman's Wharf, Twin Peaks and in the downtown shopping area. Merchants have complained that the T-shirt tables block their window displays and result in trash and crowding in front of their stores. The Fisherman's Wharf area has been referred to in letters to City officials from residents and tourists as a "flea market," and letters from tourists have indicated that the situation has caused them to wish never to visit San Francisco. The City invested over $500,000 in the beautification of the Twin Peaks area in 1985, only to have this area crowded with charitable solicitors by 1986; a situation which continues today and has been described as a embarrassment by city residents.

Unfair Competition: The majority of charitable solicitors currently selling merchandise in San Francisco sell T-shirts and sweatshirts designed to appeal to tourists with scenes of San Francisco, the Golden Gate Bridge, or boats on the San Francisco Bay. Most of these shirts also carry a message of the charitable organization in small print underneath the main design and/or wording. Unlike commercial peddlers who are restricted from selling goods sold in established businesses within the greater of 2 blocks or 600 feet of the established business, charitable solicitors are able to, and do, set up their tables directly outside of businesses selling T-shirts and sweatshirts carrying the same design. Several merchants, particularly those downtown and in the Fisherman's Wharf area, have complained that charitable solicitors present unfair competition for established merchants because they do not pay rent, taxes, or other overhead costs and thus are able to sell their merchandise at substantially lower prices. Merchants have submitted to the City Attorney, members of the Board of Supervisors, and various city merchants associations detailed descriptions of the losses that unfair competition has caused them to suffer.

The Budget Analyst's Report

The Budget Analyst has reviewed the matter for the City Services Committee and has concluded:

* increases in fines and more enforcement of the more stringent regulations may result in increased revenues for the City;

* neither the Police Department nor the Controller's Office see the regulations as requiring significant amounts of increased resources;

* the Recreation and Park department is likely to consider further restrictions on peddling in City parks if this ordinance is passed.

PROPONENTS' ARGUMENTS

Proponents feel that the proposed amendments will allow the city to be more effective in its attempt to serve its substantial interests and to address the need for change. Specifically, proponents argue that the proposed amendments will:

* Improve public safety by requiring that tables set up for charitable sales be on the curb side of the street and requiring that there be more space around and between tables. This will decrease the likelihood that pedestrians will walk in the street to avoid congestion around the tables. It will also alleviate some of the access problems caused by crowding on the sidewalk.

* Enhance the esthetic quality of San Francisco by prohibiting all solicitation in areas such as Twin Peaks, some parts of Fisherman's Wharf, and along the Great Highway and by effectively reducing the number of solicitors in areas where they are permitted.

* Improve the City's ability to enforce the ordinance by making organizations responsible for activities of their employees, and by putting more "teeth" into the ordinance through increased fines and forfeiture of goods sold in violation of the ordinance.

* Allow better protection from fraud and misrepresentation by requiring increased disclosure of organizational and financial information in a consistent format.

OPPONENTS' ARGUMENTS

Persons opposed to the proposed amendments focus on the manner in which these amendments and the ordinance as it stands now will and do hinder the operation of organizations engaged in charitable activities. Specifically, opponents argue that the proposed amendments will:

* Impinge upon charitable organizations' First Amendment right to use free speech in order to promote their cause.

* Erode the ability of charitable organizations to raise money to effectively support and disseminate information about the causes which they represent.

* Decrease they ability of some persons to earn a living through the sale of the items offered by charitable solicitors.

CONCLUSION

The proposed amendments will continue the Board of Supervisors' efforts to meet the interests of the City with respect to the sale of merchandise on public sidewalks and streets. The amendments are proposed for sections of the ordinance which have not been considered questionable in the suit filed against the City. The amendments will allow the City to strike a balance between (1) protection of the City's interest in the physical safety of the public, protection from fraud, and esthetics and (2) protection of charities' right to free speech and expression. The probable results of the amendments would include:

* A decrease in the number of tables set up by charitable solicitors

* A decrease in complaints from tourists and residents regarding the extent to which solicitors detract from the scenic beauty of San Francisco

* A decrease in the number of organizations engaged in fraudulent activities

* Continued protection of the right to expression for charitable organizations wishing to disseminate a message.

If the City fails in its attempts to reverse the Ninth Circuit Court injunction, regulation of charitable solicitors will be accomplished through the existing ordinance and the amendments if they are approved. Charitable solicitors will continue to be allowed to sell any goods which carry messages relevant to the purpose of the organization. Sale of these goods will be effectively limited by the more stringent regulations in these amendments, if they are passed, and will thus improve upon the City's ability to achieve its areas of interest.

If the City is successful in obtaining a reversal of the Ninth Circuit Court decision, the restrictions in the ordinance, including those in these amendments will apply to the sale of purely expressive items such as books, posters and bumper stickers. Sale of items whose value does not come solely from the message they communicate will require a commercial peddlers permit.

STATEMENT OF KEN ESPOSTO

My name is Ken Esposto. I have been a San Francisco Police since February 1982. Since 1988, I have been assigned to Central Station. From 1985 to 1987, I was an officer with the Permit Section of the Police Department. My duties as a Permit Officer included designing the registration statements and identification cards used by charitable organizations and their agents, processing statements of registration of charitable organizations wishing to solicit or sell items in San Francisco and enforcing the regulations of the sales of products on the sidewalks by charitable organizations. Both as a Permit Officer and at Central Station, one of my primary enforcement duties has been enforcement of the Charitable Solicitor's Ordinance. Currently, I work every Saturday, concentrating on the enforcement of the Charitable Solicitation Ordinance. In all, I have spent hundreds if not thousands of hours enforcing the Ordinance. In addition, I conducted training seminars for Police Officers in the enforcement of this Ordinance.

I have been enforcing the ordinance since early 1986 when the ordinance was amended to prohibit charitable organizations from selling merchandise on the sidewalks unless they got the appropriate peddling permit. There was an exemption for the sale of books and bumper stickers and other purely expressive items. During the summer of 1986, a federal court ruled that we could not enforce this provision of the law. This meant that the sales of message-bearing merchandise by these charitable organizations were subject only to the sidewalk restrictions that were intended to regulate the sales of books and other expressive items.

After the court's ruling went into effect, the number of charitable organizations selling merchandise on the public sidewalks grew dramatically. Beginning in 1986 and continuing through today, these organizations have sold almost exclusively T-shirts and sweatshirts. In almost all cases, these T-shirts and sweatshirts are similar to shirts sold in local tourist shops. The only difference is that these shirts have printed on them in very small letters some philosophical or religious phrase. The message is so small so as to be mistaken for the name of the company making the shirt or some manufacturer's motto.

Through my experience first in the permit section and later in Central Station, I have become extremely familiar with the Ordinance and its enforcement. On any given day, there are between 50 and 100 persons on the San Francisco public sidewalks selling goods on behalf of charitable organizations. The Fisherman's Wharf area, Union Square, Twin Peaks, Golden Gate Park, the area near the Cliff House and Coit Tower are the most popular areas for persons selling shirts for charitable organizations.

The current regulations on the sidewalk require that six feet of space be left for pedestrians. Persons selling on behalf of charitable organizations are permitted to set up on either the curb side or the building side of a building. The tables of these organizations need only be five feet apart. When they set up on the sidewalk next to the building, as opposed to setting up on the curb-side of the sidewalk, they are permitted to set up their tables opposite a white zone or yellow zone or other commercial or passenger unloading zone. Again, these were regulations intended for regulating the sale of books and pamphlets.

Based on my experience in enforcing the ordinance, the current restrictions on sidewalk sales activities are not adequate to protect fully public health and safety. Since 1986, on almost a daily basis, I see pedestrians forced to walk off the sidewalks and into the streets to avoid the crowds gathered around charitable solicitor tables used in their sales activities. I have also seen persons in wheel chairs and parents pushing their children forced to go into the street because of these sales activities. A number of factors contribute to the sidewalk congestion associated with charitable solicitor sales activities.

First, becauses of the commercial nature of goods sold by charitable organizations, the requirement that six feet be left for pedestrian passage is not enough to safeguard public safety. The crowds that gather around these types of commercial tables are much larger than those that gather around street artists tables or other commercial peddler tables. Second, the fact that these organizations are allowed to set up on the building side adds to this problem. When the organization sets up on the building side of a sidewalk and the crowd gathers around the table, pedestrians are forced into the street. On the other hand, when they set up on the curb side, pedestrians walk between the solicitors' table and the building and do not walk into the street nearly as frequently.

I have reviewed the proposed amendments to the current ordinance. In my view, while these changes certainly will not eliminate the various problems associated with charitable organizations, they will reduce these problems. I have also have examined the area near Fisherman's Wharf and Union Square, as well as other areas, and have determined that if the Board of Supervisors adopted the proposed amendments, there would be numerous places in these areas where charitable organizations could conduct their sales activities. The difference will be that in conducting the sales activities, the threat to public safety will be substantially.

VAN HAUSER MARKETING CONSULTANTS
1011 Alameda de las Pulgas
San Carlos, CA 94070

GORDON C. VAN HAUSER
Manager

Telephone 415-591-1382

Manager,
FRANCISCAN RESTAURANT,
Fisherman's Wharf,
San Francisco, Ca.

Dear Sir:

I know you have some type of Fishermans Wharf Businessmen Association but I didn't have the address, so after you read this letter you may want to pass it along to them for info.

On Thursday, April 20th my wife and I were in San Francisco and decided to have lunch at Fisherman's Wharf (we ended up having a delightful luncheon in your restaurant) - to illustrate how conditions have deteriorated in your area; we drove up towards your restaurant on the street leading over to where your buy your tickets for the Alcatraz tour - there were several parking meters with no cars there - this was about 10:15 a.m. As I attempted to park, several Spanish speaking young men came out and told me I couldn't park at these meters because they were "reserved" for their vans. Reading the "vibes", I wasn't about to leave my car there and have it trashed.

We drove to a lot a block away and while walking back towards your area, we were stopped by a young lady in some kind of uniform with a badge on it who told us that she was going to issue us a "citation" for jaywalking - our first reaction was that she was a police officer - but then she said she would cancel the citation if we would make a donation to some charity she represented.

My wife did some shopping at the store downstairs from THE FRANCISCAN. We arrived at your front entrance about 10:55 a.m. and waited for the doors to open at 11 a.m. While we were waiting at your entrance, two well-dressed young black men and a black lady came into the entrance; rather "jostled" and "pushed" us, and asked what time they opened - we replied in about two minutes and they laughed and left.

We were seated by your Hostess and when we sat down, my wife said "My God, my wallet is gone". She went back down the stairs to see if she had dropped it - she said she knew she had put it in her purse after shopping, and we assume when we were pushed and crowded by the young black men, the lady with them dipped into my wifes purse. We lost about $125 and also drivers license and some personal papers. Fortunately I had enough money to pay for the lunch and we informed your personnel about this incident.

There was a motorcycle officer outside of your restaurant and I told him what happened and he said it was an everyday occurrence there.

Just wanted to get this off my chest - oh I forgot to mention I walked past the area where they wouldn't let me park - to the left as you come out of your entrance, and every meter had the "expired flag" up and no tickets. Everyone was selling "T" shirts and vans were parked in red zones.

Gordon Van Hauser

GORDON C. VAN HAUSER.

John Esquerra
2833 Nutmeg
San Diego, CA 92104

Fisherman's Wharf Merchants Asso.
c/o Alessandro Baccari and Asso.
1873 Market Street
San Francisco, CA 94103

December 18, 1989

Merchant's Association,

I'm glad I live in San Diego. All the citizens of San Francisco should be ashamed at the way Fisherman's Wharf has been allowed to run down. You must do something to get rid of those ugly tables of T-Shirts.

Sincerely,

John Esquerra

12/19/89

Dear Mr. A Baccari,

I know San Francisco is suffering from an earthquake. However, that is still no excuse for being rude. The people you allow on your sidewalks to sell T-shirts are extremely rude. I will not go into detail about my experience; I will simply say that San Francisco is one city I hope to <u>never</u> visit again.

Thank you,

Unhappy Visitor

Fisherman's Wharf Merchants Asso.
c/o Alessandro Baccari and Asso.
1873 Market Street
San Francisco, CA 94109

December 26, 1989

Fisherman's Wharf Merchants Asso.

Fisherman's Wharf has never been in worse shape. The sidewalks are covered with the trashiest group of people you'd ever want to see. Also you can hardly walk on the sidewalks because of the thousands of cheap sweat shirts for sale. Please do something to clean up this mess.

Sincerely,

Bob Bakmaz

12/27/89

Dear Merchants,

Your wharf looks like crap; and the t-shirt vendors are pushy and rude. No wonder your business is off. Who would want to visit your giant t-shirt swap meet that you call "Fisherman's Wharf"

ie on + St. 4103

Thank you
Michael C Dedrick

Michael Drabick
1140 Sutter Street Apt. 212
S.F., Ca
94109

Alessandro Baccari and Associates
1873 Market St.
S.F., Ca. 94103

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Telephone (415) 861-4900

January 19, 1990

Gerald Newfarmer, President
San Francisco Chamber of Commerce
465 California St., 9th Floor
San Francisco,CA. 94104

Dear Mr. Newfarmer:

Our business is totally dependent on the tourist industry in San Francisco and the Bay Area. I attended a meeting at the Fisherman's Wharf Merchants Association in November at which you were the guest speaker. I was disturbed to learn that you had no knowledge of one of the major problems facing the retail business of our city; namely the so called "charitable solicitors". They have not only affected the retail business throughout the city, but also wholesale firms such as ourselves. The city has allowed this scam to go one for several years, turning some of our most beautiful streets into table after table of sweatshirts resembling Tijuana or the San Jose Flea Market. This situation has become intolerable. They started at Fisherman's Wharf and now are all over the city. They are in front of Macy's, Saks Fifth Avenue, Nordstroms, Woolworths and most of the prime downtown locations. They are at the Cliff House, Twin Peaks, Golden Gate Park, and all of the major stops of the tour buses. The charitable solicitors accost the tourist and pedestrians and many complaints have been filed by angry citizens. The image of the city has been seriously hurt by this ongoing problem, and if something is not done soon, the damage may be of a long term nature. Due to the devastating effect of the eartquake, many retailers are in serious financial trouble, and these parasites are skimming the cream while paying no rent, no sales tax and contributing nothing to the city. It is up to groups like the Chamber of Commerce to work with the Board of Supervisors and the business community to solve problems like this. I am withholding our check for our yearly dues until I receive a reply on the matter from you or one of your associates. If I receive no reply, I will cancel our membership.

Sincerely,

Kenneth M. Glaser, Jr.
Vice President
Smith Novelty Co., Inc.

KMG:crb

Guardino's
Since 1908
2801 TAYLOR STREET
SAN FRANCISCO, CALIFORNIA 94133
(415) 775 - 3669

24 April 1990

Ms. L. Renne
San Francisco City Attorney

Dear Ms. Renne,

As a third generation Guardino at Fishermans Wharf. I'm alarmed and angry over the "charitable merchants" on the streets. They are impacting our business in a serious manner.

Since 1985 our gift shop sales are down 31% not including an inflation factor. Since 1985 we have 16 less employees. We are collecting and paying less taxes, and less rent to the Port of San Francisco.

We can't compete with these people who don't pay rent, insurance, and all the normal expenses of doing business. I wonder, do they collect sales tax? do they pay sales tax, or any tax of any kind? Are they subject to audits?

I urge you to give this letter your consideration. If I can be of any help to you please don't hesitate to call me.

Best Regards.
Sal Guardino

GELSI INC., GELARDI'S
2890 Taylor Street
San Francisco, CA 94133

Dois Rennie
City Attorney
San Francisco, Ca

April 26, 1990

Dear Dois,

My family has been in business at fishermans Wharf since 1946 and my grandfather, a fisherman selling his catch since 1912. We're certain our concerns are not unique, as our once Beautiful & thriving fishermans Wharf has taken a terrible turn, its' appearance now resembles a flea market in a third world country and the attitude of the so called "Charitible Solicitors", come on as hard core dealers. I have, by the way, personally checked quite a number of their listed addresses and they do not exist!

If indeed, we are the third greatest tourist attraction in the world, then somehow our Priorities have not accepted the responsibilities for the real needs of its merchants who truely accomodate the economy here. We lease the facilities, pay the Property taxes, all other city taxes, provide legitimate jobs, State Board of Equilyzation, and on and on!

GELSI INC., GELARDI'S
2890 Taylor Street
San Francisco, CA 94133

I, myself, firmly believe in our first amendment, however, it seems as though, we, the believers & Tax payers are paying an enormous price and the burden is breaking our backs

The cold hard facts:

from 1981-1985 our gift shop grossed yearly
400,000.00 - 700,000.00

since our friends have taken over the city
100,000.00 - 110,000.00

Please help your merchants, who have for so many years, served you well.

I always thought that a city and its many members were a team, working together for the greater good

In Peace & Understanding
Kathleen M. Gelsi & family

P.S. My Prayers are with you

55 Fillmore Street
San Francisco, Ca.94117
Tel: (415) 861-5752

May 1, 1990

Editor -

For a long time I have wondered how the City of San Francisco could allow the Pier 39, Fisherman's Wharf, Aquatic Park area to be overrun by the shirt vendors. In some areas, there must be at least 25 stands right next to each other all selling the same items.

By setting up shop on the sidewalks they add congestion to an already crowded area. Their vans sit in metered zones all day waiting to take their goods away at the end of the day.

I have noticed stores in the area that sell the same items that have to pay rent, utilities, business license fees, taxes, etc., and I wonder if these sidewalk vendors pay the same fees to the City of San Francisco and if not, why not?

The biggest shock of all came to me on Saturday, April 28, 1990 when I was host to some tourists from out of state.

It was a windy afternoon with great visibility so I decided to take my guests up to Twin Peaks to view the beautiful city of my birth.

Upon arriving at Twin Peaks besides the usual cars and buses parked there with people taking picture and enjoying the view, to my surprise there had to be at least a dozen vendors side by side all selling the same T-shirts.

Adding to this unexpected sight, were at least six vans that belonged to the vendors parked in spaces all day in an already congested area with limited parking.

I don't think this type of operation in any way contributes to what I think should be anybody's image of San Francisco.

Maybe, just maybe, somebody in City Hall might agree and be able to correct the situation as long as we don't have to appoint another deputy mayor to study the matter.

J. Walsh
San Francisco

Carriage
Charter

3325 Gravenstein Hwy. N.
Sebastopol, Calif. 95472
707— 823-7083

Romantic Transportation, Anywhere

May 8, 1990

Randy Riddle
City Attorney's Office
City Hall, Room 206
San Francisco, California 95404

RE: Charitable Solicitors

To Whom It May Concern:

~~Dear Randy:~~

The affects of charitable solicitors on our horse drawn carriage ride service are difficult to measure. There surely are no positive affects.

We attempt to sell a romantic service which requires a certain ambience. Charitable solicitors destroy the romantic historic atmosphere of the Wharf. Their tables, stacked 5' high with tee shirts, congest sidewalks. When you consider the space they consume for their personal affects scattered around behind the tables, their vans parked in red zones with doors open, and their families or associates lingering around the vans, they visually block the sidewalk.

The present ordinance requires 6 feet of pedestrian passage space after deducting the space required for charitable sales. The present interpretation does not allow space in front of tables for those being solicited. Therefore, there should be a minimum of six feet for pedestrian passage plus three feet of space for customers (those being solicited) or a total of 9 feet from tables to curb.

Surely no Wharf visitors are in the mood for a leisurely, romantic experience when it is all they can do to walk the sidewalk. The charitable solicitors, combined with the clever hard sell of the Hare Krishners, arouse survival and escape reactions from pedestrians. No Wharf visitor can have a romantic or adventurous impulse under these conditions.

After dark, when the charitable solicitors leave, our sales improve around 50% on a typical Friday or Saturday. When the charitable solicitors are controlled (by police action as per the present ordinance) our daytime sales increase 25%.

We have had some difficulty getting police enforcement of the existing ordinance. Whereas Captain Murphy is very sympathetic and most of the officers who appear at our request to enforce the existing ordnance are helpful, police enforcement remains a low priority effort. Police become frustrated due to lack of conviction for repeat violators.

A direct cost to our operation is created when we attempt to control the area. We have counted as many as 9 tables set in an area where only 4 are allowed. After 3:00 p.m. and on weekends when Officer Esposto is not on duty, when we have to call the San Francisco Police Department for enforcement, we find that if we are not personally on the scene when the patrol car arrives, they (the San Francisco Police Department) just keep on going, totally ignoring the obvious infractions. Therefore, to get enforcement, one of our drivers must wait in order to point out the infractions in person to the summoned officer. We have waited as long as 2 hours for their arrival. Why do we wait so long? Because the area is so out of control that we couldn't give away our services, let alone sell them. It costs $30/hour for a carriage to stand by. Usually, this happens twice per week, starting October, 1989, through April of 1990, 37 weeks, 2 calls/week, 1 hour average standby waiting for patrol cars, equals $2,220.00 lost revenue.

In addition, I personally have received physical threats on two occasions from charitable solicitors and my employee, Gilles Cohen, has received physical threats and two death threats, the latest reported to Captain Murphy on April 30, 1990.

The charitable solicitor ordinance is not workable. The problem is that so-called "charitable sales" is a sham. It has nothing to do with freedom of expression. The people who practice charitable sales are not law abiding and display no respect for the law, it's enforcers, the tax paying merchants who cannot compete on an equal basis, or the quality and historic atmosphere of Fisherman's Wharf, as well as other attractive City areas.

They are a small minority who are spoiling the quality of life for the vast majority. The solution is to regulate them out of existence.

Sincerely,

John Jenkel

JJ/mj

DOMENIC J. CANNIZZARO
A PROFESSIONAL CORPORATION
785 MARKET STREET, SUITE 1150
SAN FRANCISCO, CA 94103
415-957-0777

May 10, 1990

Mr. Randy Riddle
Attorney at Law
OFFICE OF THE CITY ATTORNEY
City Hall, Room 206
San Francisco, CA 94102

RE: Fisherman's Wharf Sidewalk Vendors

Dear Mr. Riddle:

I am writing this letter to you as it is my understanding that you are handling litigation concerning the problems created by sidewalk vendors in the Fisherman's Wharf area.

I have been marketing director of a family held business in the heart of Fisherman Wharf since 1980.

The success of Fisherman's Wharf has unfortunately attracted elements which attempt to live off that success without making the perquisite contribution in terms of capital investment, labor and taxes. The chief among these elements are the sidewalk vendors.

The primary problems facing the continued success of Fisherman's Wharf involving the attraction of anti-social elements, accumulation of garbage and debris in public areas, blocked sidewalks, shortage of visitor parking and impeded traffic.

The sidewalk vendor is completely unregulated and as a consequence he contributes to all of the above problems which are distracting to the visitors at the wharf in various ways, some of which are as follows:

1. Since he is not a tenant who has an assigned space he does not have to pay rent, taxes or insurance that the regular commercial tenant must pay and therefor has a tremendous competitive advantage over that tenant. This forces the tenant to either get out of the business that the sidewalk vendor is in or to compete on a price basic which would require inferior or cheaper merchandise; both situations

2. The sidewalk vendor has no requirement for garbage disposal and often times leaves it on the street;

3. The sidewalk vendor parks with impunity in red zones designated to expedite traffic;

4. The sidewalk vendor occupies sidewalk parking stalls on a daily basis to the exclusion of the commercial visitor;

5. The sidewalk vendor is in an uncontrolled environment and is often times competing with other sidewalk vendors on a first come first serve basis and often times is involved in public displays of violence or hostility in order to achieve an advantage over the other vendor;

6. The sidewalk vendor uses tables on a public sidewalk which in turn block the sidewalk and make it more difficult if not impossible, sometimes, for visitors to use the sidewalk to get to their intended objective;

7. The sidewalk vendor has no visible means for accounting for sales so that the government can be assured of getting its share of the sale in the form of taxes. I have never heard of a sidewalk vendor being audited for sales tax payments.

I sincerely hope that something can be done concerning this very evident social and economic pariah at the wharf which, along with other problems, is threatening the future success and viability of the wharf and it contributions to the general economic well being of the City of San Francisco.

I would appreciate you contacting me if I can be of further information or assistance to you in this matter.

Very truly yours,

DOMENIC J. CANNIZZARO
A PROFESSIONAL CORPORATION

Domenic J. Cannizzaro
Attorney at Law

DJC:ses

Marriott

Host International Inc.
Merchandise Operations

1757 Grandview Drive
S. San Francisco, CA 94080
415/875-4215

05-29-90
Fishermans Wharf Association
c/o Alessandro Baccari & Associates
1873 Market Street, Suite 3
San Francisco, CA 94103

To Whom It May Concern,

My name is Lee Gardner Operations Manager Host International Inc. North Beach Mercantile Fishermans Wharf. The purpose of this letter is to notify you of the effects of Charitable Sales Solicitations at Fishermans Wharf.

As a merchant and member of the Fishermans Wharf Association with high overhead expences I cannot compete at low margins to maintain a profitable business. For example, the average in store merchant wants gross profit margins between 50%——70%, versus the Charitable Organization which wants 10%——30%.

Secondly, Charitable Solicitors have the freedom to set up shop outside of your location in direct competition for your customers.

Finally, Charitable Solicitors give tourist the impression that Fishermans Wharf is a low end bargain place to shop, in the category of a Third World Country. I cannot think of another city in the United States which allows solicitations of this kind. The image of the city as well as Fishermans Wharf has to be rebuilt and as we all know the business community pays taxes to San Francisco not the Solicitors.

I sincerely hope my letter enlightens you to an ongoing problem. Wishing you all the success in your future endeavors.

Sincerely,

Lee Gardner

Lee Gardner

THE BAY COMPANY

◆ 211 JEFFERSON ST. • SAN FRANCISCO, CA 94133 • (415) 775-2146 ◆

June 1, 1990

To Whom it May Concern,

I am the managing partner of The Bay Company and six other stores in the Pier 39/Fisherman's Wharf area. We sell a wide variety of gifts and apparel, but the bulk of our income is derived from the sale of souvenir merchandise, including t-shirts and sweatshirts.

The situation regarding the so-called charitable solicitors is not only immensely frustrating from a business standpoint, but it's embarassing from a personal standpoint.

I am a native San Franciscan and I still take great pride in the beauty and charm of our great city. But when I walk down Jefferson Street between our stores at Pier 39 and Fisherman's Wharf, I am quite simply disgusted by what I see. Table after table of shirts, serviced by vans parked in a red zone, and operated by people who are making a mockery of what was once a great city.

Everyone has agreed that these people are not exercising their constitutional right to freedom of speech. That is a joke. The city attorney agrees, the merchants agree, the average man or woman on the street agrees, even the ACLU would agree. Yet there they are. Why? Because San Francisco has become, somewhere along the line, a city that is so petrified of a lawsuit that it freezes when the word constitution is mentioned. Thomas Jefferson would be spinning in his grave if he could see who is profiting from his words.

I understand the first amendment. And I think I understand what the Appeals Court judge meant when he said that the message protected by the first amendment on the item being sold must be inextricably intertwined with the item itself. And I agree. If Greenpeace wants to set up a table selling t-shirts with a picture of a whale and the inscription "Save the Whales" printed thereon, *then* they should be protected by their constitutional rights as a non-profit organization spreading their message. But take *the same* whale t-shirt and print "San Francisco" underneath it and I've got a problem. That's unfair competition.

And Greenpeace isn't even the problem here. They have a sense of public pride. These "agencies" setting up business at tables around the Wharf have names such as Project Homeless, and the microscopic inscriptions they print on the garment say things like "Help the Needy Children" underneath a design of the Golden Gate Bridge that we have in our stores for twice the price.

Inextricably intertwined? Not even close. No jury in the world would say that these garments being sold have the intent of spreading their message. These are souvenirs sold with the intent of undercutting legitimate retail businesses that pay rent and taxes. Nothing more, nothing less.

I keep hearing that we're not going to be able to eliminate the "charitable solicitors," only control them better to the point of minimizing them. And I don't understand. If they are forced to sell a t-shirt with the message "inextricably intertwined'" how many do you think they'd sell? They'd be out of business right now.

Yes, we can eliminate this unfair competition. But it requires some strength by the people in power, and up to this point I've seen none of that. Meanwhile, these charitable solicitors" proliferate, smirking at the city that turns its back, selling items that are putting legitimate, tax-paying retailers out of business.

They harass our tourists, they turn our sidewalks into flea markets, and they laugh all the way to the bank. As far as I know, you don't see them in Sausalito or Carmel. I wonder why.

Let's do something now. The approach taken up to this point has been, in my opinion, ill-advised. I readily admit that I have not been advised of all the facts, and I have not been as involved as I might have been, but I do know I'm ready to do battle now. As I said in the beginning of this letter, the presence of the "solicitors" not only pains me from a business standpoint, but even more importantly, it pains me as a San Franciscan and as an American to see how the rights I cherish are being used in such a despicable manner.

Sincerely,

Arthur N. Hoppe

Woolworth *A Division of F. W. Woolworth Co.*

F. W. WOOLWORTH COMPANY
898 MARKET STREET • SAN FRANCISCO, CA 94102

June 2, 1990

Randy Riddle
Deputy City Attorney
San Francisco, Ca. 94102

Dear Mr. Riddle:

SUBJECT: Charitable Solicitation Ordinance

This is in response to your letter dated May 16, 1990. Outside the F.W. Woolworth Store (898 Market Street), from the Cable Car turnaround to Ellis Street, are from 12 to 20 tables of sweatshirt and tee shirt venders, hawking their San Francisco souvenir apparel. Everyday! They have licenses to peddle said apparel because of donations to charitable organizations.

According to Louise Renne's letter the charitable imprint should be seen by the average person at three feet. The imprint (if any) on these shirts is so small as to be virtually indistinct. (Sample included).

Everyday I must walk the gauntlet of these venders sometimes setting up their tables at 7 a.m. tying up the adjacent Ellis Street area while our trucks are unloading causing severe traffic tie ups as they unload their wares. This area of Ellis Street is posted: No Stopping, Metered Truck Loading, 7 a.m. to 6 p.m., Maximum Time 30 Minutes. The venders use this as their personal parking zone for the major portion of the day forcing our delivery trucks to double park thus restricting the flow of traffic on Ellis Street.

Powell Street between Ellis Street and Market Street is a very busy thoroughfare for pedestrians. The venders on the street encroach the passage of any one on foot or wheelchair from traversing the said area.

The venders did not appear outside our store on Powell Street until June 1989. You will find attached, records for May 1989 with a 37% increase in sales over 1988. (We had just remodeled our Souvenir T-Shirt area). June 1989 sales increased 10%. July 1989 sales increased 9%. August 1989 sales decreased 2%. September sales decreased 2%. Our records had indicated a 40% from 1987 to 1988 (copy attached). We had made plans for a 40% increase for 1989 and had bought the merchandise to cover this. The sales immediately fell below expectations from June 1989, leaving us in a very overstocked condition before October 1989.

We have included a sample sweatshirt bought from these tables. This was bought by one of my staff at random. As you can see there is no imprint of any charitable organization of any kind. Staff member was not given any kind of receipt or any tax added to the price of the product.

This store also carries an extensive line of souvenir sweatshirts and tee shirts but we cannot retail any at $10.00, since our lowest priced sweatshirt retails at $15.99 and our cost is $7.00 each.

What started out as 4 or 5 tables has mushroomed to a major problem. Not only in sales losses to our store but also to the tourist view of the city. All the street venders outside our store sell the same product on twenty tables. How can this be allowed? Their rights of "Free Speech" are not violated but our rights in an open market, where we pay union scale to our employees, are definitely impeded.

These venders command of English is very limited, so how can they explain to the consumer what charity organization they represent. The venders act as if the "own" this particular street. They eat lunch at the tables and cause litter to build up.

Someone from your office should investigate what organizations are benefited from these sales. How much money is received from these sales? It seems to us that one supplier is doing ALL the business with this group; that should also be looked into.

Hope you can aid our store and our city getting this problem solved.

Thank you for any assistance you can provide in this matter.

Sincerely,

R. Greenberg
Associate Manager

RG: mpm
enclosures (16)

cc: A. Agnos, Mayor
N. Walker, City Supervisor
Visitors and Convention Bureau
T. York, Woolworth Regional Office

SAN FRANCISCO
CHAMBER OF COMMERCE

June 18, 1990

JUN 2 1 1990

The Honorable Nancy G. Walker
Board of Supervisors
235 City Hall
San Francisco, CA 94102

Dear Supervisor Walker:

I am writing in support of your efforts to regulate charitable sales solicitations. Many Chamber members have expressed concern about the problems caused by charitable vendors selling merchandise on public property, and I am pleased to learn that you are addressing the issue.

Local merchants have told me that they are experiencing unfair competition from street vendors selling T-shirts and other souvenirs. While these items may bear small-print messages identifying them with charitable organizations, they are essentially tourist items similar to those sold in stores. Since local businesses must pay rent, taxes, and other overhead costs, it is difficult for them to compete against the street vendors.

Chamber members have also expressed concern about the effects of these vendors on aesthetics and public safety. The tables of merchandise give the streets a cluttered and chaotic appearance, and on San Francisco's narrow sidewalks it is often difficult for pedestrians to get past crowded vending tables. In the crowded financial district, tables are set up at corners, such as California and Montgomery Streets, posing a hazard to pedestrians.

The Chamber has also received complaints from the visitor industry regarding the sales activity occurring at public parks, such as Coit Tower and Twin Peaks. These locations are not retail areas and sales activity is incompatible with parks and open space.

The Chamber continues to support your efforts to develop new legislation regarding charitable sales solicitations. If the Chamber can be of any assistance, please feel free to contact me.

Sincerely,

James L. Lazarus
Vice President
Public Affairs

cc: Randy Riddle
Deputy City Attorney

465 California St., Ninth Flr. • San Francisco, California 94104 • Telephone (415) 392-4520

smith NOVELTY COMPANY
DIVISION OF SMITH NEWS COMPANY INC.

IMPORTERS • EXPORTERS • DISTRIBUTORS

CABLE ADDRESS: PACNOVCO VIA ITT SAN FRANCISCO
TELEX: VIA ITT 470083, ANSWER BACK: 470083 SNCO UI

460 NINTH STREET, SAN FRANCISCO, CA 94103
Telephone (415) 861-4900

June 26, 1990

Nancy G. Walker, Supervisor
Board of Supervisors
Room 235, City Hall
San Francisco, CA.

JUN 27 1990

Dear Supervisor Walker:

I am the Vice-President of Smith Novelty Company, Inc., formerly Smith News Co., Inc. a corporation that has been doing business in San Francisco since the early 1900's. My great grandfather and his sons started the original Smith News Company in 1912, delivering the Saturday Evening Post by horse-carriage. Smith News Company was the first magazine distributor in San Francisco. In the mid-fifties the magazine business was sold and the direction of the firm turned towards the souvenir and tourist industry. We were the first major postcard distributors in San Francisco, and this evolved into the souvenir and gift business. Today we are the largest postcard and souvenir distributor in the city, and we employ 20 - 25 people on a full time basis. Our business is totally dependent on tourism. Over the years we have paid the city and state hundreds of thousands of dollars in taxes and fees, and we feel that San Francisco has let the problem of the so called "Charitable Solicitors" get out of control, and cause legitimate retailers and their wholesale distributors severe economic problems. The situation is now intolerable, and drastic measures must be taken to correct the situation. I would estimate that we have lost $500,000 to $1,000,000 yearly in sales volume due to the so called "Charitable Solicitors". I would like to outline my concerns as they pertain to Randy Riddle's letter of May 16, 1990.

As far as public safety is concerned the City of San Francisco and the Board of Supervisors should be concerned on many levels. I have personally seen tourists walk into on coming traffic at Fisherman's Wharf because of the congestion on the sidewalks caused by the T-Shirt vendors. This leaves the city wide open for a personal injury lawsuit if they are struck by a car or twist their ankle stepping off the curb. There is no regulation by the police, and the "Charitable Solicitors" are lined up twelve to twenty tables across, forcing pedestrians to use the streets for passage instead of the sidewalks. The "Charitable Solicitors" also park all day in areas along the Wharf taking valuable parking that would be used by visitors, tourist and local merchants. I have personally seen so called "Charitable Solicitors" attack each other with baseball bats. This activity, on Jefferson Street caused one of my accounts, at 75 Jefferson Street, to lock their doors with terrified tourist inside, because they were afraid of their own safety. The so called "Charitable Solicitors" regularly abuse and terrorize the local merchants and tourists with abusive language and threatening remarks. If this intolerable situation is allowed to go on, there will be serious injury and possibly fatalities associated with this problem, and the city of San Francisco only has itself to blame, and unfortunately, the City and the Board of Supervisors may be held accountable.

smith NOVELTY COMPANY
DIVISION OF SMITH NEWS COMPANY INC.

IMPORTERS • EXPORTERS • DISTRIBUTORS

CABLE ADDRESS: PACNOVCO VIA ITT SAN FRANCISCO
TELEX: VIA ITT 470083. ANSWER BACK: 470083 SNCO UI

460 NINTH STREET, SAN FRANCISCO, CA 94103
Telephone (415) 861-4900

The effect of the "Charitable Solicitors" on the retail merchants of San Francisco has been devastating. The amount of revenues lost by the merchants and therefore the city of San Francisco and the State of California is in the millions. These people pay no taxes, and contribute nothing to the economy. The whole thing is a scam, and everyone knows it. All the T-Shirts and Sweatshirts come from the same manufacturer. The "expressive message" is a joke. Some have it, and it is barely readable, while 90% of the T-Shirts and Sweatshirts have no message at all. During the "Superbowl" they were selling 49er T-Shirts. Now, they bootleg Simpson T-Shirts. They have no rules, while the legitimate retail merchants must play by the rules. I personally know of accounts that have lost over 60% of their T-Shirt and Sweatshirt business to these unfair competitors. They buy Sweatshirts for $10.00 while the street vendors sell the Sweatshirts for $10.00. The pay $5 - $6 for a T-Shirt, while the street vendors sell the T-Shirts for 3 for $10.00. In short, the streets of San Francisco have become a wide open Flea-Market with no rules or regulations. The legitimate retailer is being forced out of business because they must obey the law while others can do as they please with no rules or regulations.

Finally, the image and beauty of San Francisco is destroyed. The "Charitable Solicitors" are setting their tables up at the most scenic areas of the city. They are in front of the Japanese Tea Garden, Conservatory of Flowers and the California Academy of Sciences in Golden Gate Park. Everywhere the Tour Buses stop, the "Solicitors" are there: Twin Peaks The Cliff House, Chinatown, Fisherman's Wharf, Coit Tower and Ghirardelli Square. When asked what their charity is, the "Solicitors" don't even know who or what their so called charity is. They are downtown in front of Woolworth, Saks Fifth Avenue and Macy's. They are all along the Cable Car Line. I ask you, why they are not allowed on the streets of Sausalito or Carmel? The answer is that they won't allow a scam like this to trash their sidewalks. The time to take positive and stong action is now. It's time to take a stand and back the legitimate merchants of this city, and return the sidewalks to the purpose they were intended.

Sincerely,

Kenneth M. Glaser, Jr.
Vice President
Smith Novelty Company

KMG:crb
CC: San Francisco Chamber of Commerce
San Francisco Convention & Visotrs Bureau
Mayor Art Agnos
San Francisco Chronicle

Wharf Gifts

135 JEFFERSON ST. SAN FRANCISCO, CALIF. 94133

On behalf of all Fisherman's Wharf retail merchants, as well as those in other areas of the city, we are all experiencing the impact caused by the so called "non profit, charity" sidewalk T-shirt vendors. The tremendous loss of revenue for legitimate merchants, as well as for the city in terms of taxes, is staggering. It has been conservatively estimated that each table produces an average **daily** revenue of $1,000.00. With a minimum of 100 tables in this city, that equates to a yearly total of $36,500,000.00 lost taxable income for legitimate merchants.

In an effort to focus attention and interest on the injustice of the situation, stores in the Fisherman's Wharf area are cooperating in the distribution of 100,000 of the enclosed plastic bag to our customers. Our purpose is to educate the consumer and bring this serious problem to the attention of public officials and the media, in an effort to promote affirmative action to relieve the situation.

It is vitally important that the legitimate concerns of San Francisco's tax paying merchants are recognized and supported. The residual financial effects of our recent earthquake has added urgency to this on going problem, particularly at Fisherman's Wharf. Not only must we compete with these opportunists in a shrunken tourist market, the aesthetic image of our neighborhood has also been diminished by table after table of these vendors blocking the sidewalks and streets with merchandise, vans and garbage.

As legitimate, tax paying merchants, we respectfully request support and attention to this deplorable problem. For further information regarding this important issue, please contact Al Baccari of Baccari & Associates who is authorized to act as spokesperson for the Fisherman's Wharf group. He can be contacted at (415) 626-7070.

Sincerely,

Nancy Cali
Wharf Gifts

smith NOVELTY COMPANY
DIVISION OF SMITH NEWS COMPANY INC.
IMPORTERS • EXPORTERS • DISTRIBUTORS
CABLE ADDRESS: PACNOVCO VIA ITT SAN FRANCISCO
TELEX: VIA ITT 470083, ANSWER BACK: 470083 SNCO UI
460 NINTH STREET, SAN FRANCISCO, CA 94103
Telephone (415) 861-4900

May 8, 1990

Randy Riddle
City Attorney's Office
Room 206, City hall
San Francisco,CA. 94102

Dear Randy:

I am the Vice President of Smith Novelty Company, Inc. in San Francisco. Our company, formerly, Smith News Company, Inc., has been in business in the city since 1912. My grandfather, R. E. Smith delivered the Saturday Evening Post by horse cart in the early 1900's. Our firm has supported the city on numerous occasions, and we have paid our taxes and generated revenue for the city for over seventy years. Our business is totally dependent on tourism and the image of the city. The presence of the so called "Charitable Solicitors", has become a disgrace and disaster to the tourist industry and the city as a whole. This is a total "scam", but no one seems to have the courage to do anything about it. These people set up their tables at any location they wish, pay no taxes, and have no overhead. They contribute nothing to the city, but take sales tax dollars away from legitimate retail stores. Many retail outlets in the tourists areas are barely surviving since the October 17th earthquake, and they must compete with the "Charitable Solicitors", who can set up their tables at any location they desire. They started at Fisherman's Wharf, and now have spread to the entire city. They block the sidewalks and cause people to walk into street traffic leaving the city wide open for a personal injury lawsuit. They have located in front of Macy's, Saks Fifth Avenue, Nordstroms and Woolworths downtown. They are also located at the Cliff House, Twin Peaks and Golden Gate Park, some of our most beautiful landmarks.

The "Charitable Solicitors" have been selling drugs, fireworks, 49er merchandise, Batman T-Shirts and other contraband. They have accosted tourists and locals alike, and numerous compalints have been filed with the police. In one instance, they were hitting each other with baseball bats on Jefferson Street on the Wharf, and concerned retail outlets had to lock their doors with horrified tourists inside.

The image of the city has been seriously hurt by this on going problem, and if something is not done soon, the damage will be of a long term nature. This type of activity is not allowed in Sausalito or Carmel, why does San Francisco allow this to happen? The city has allowed the streets to turn into a wide open flea market, and the situation is totally out of control.

Sincerely,
Kenneth M. Glaser, Jr.
Vice President
Smith Novelty Co.

ENC. Letter to the San Francisco Chamber of Commerce
KMG:crb

The Fisherman's Wharf Port Tenants Association
Pier 45, Shed A
Fisherman's Wharf
San Francisco, CA 94133
(415) 673-4143

A. LaRocca Seafood
Alcatraz Enterprises, Inc.
Alioto's Restaurant
Bennett Gallery
Boat "Butchie B"
Borruso's Lighthouse Restaurant
Boudin/Parisian Bakeries
California Aquatic Resources
California Shellfish Co.
Castagnola's Restaurant
Coast Marine Supply
Crab Boat Owners Association
Cresci Brothers Gifts
Cory Gallery
Fish Alley Bar & Grill
Fisherman's Grotto #9 Restaurant
Fisherman's Wharf Seafoods, Inc.
Fishfinder
Fishing Boat Deborah Ann
Franceschi's Restaurant
Franciscan Restaurant
Frank's Fisherman's Supply, Inc.
Gelardi's Gifts
Golden Sea Fisheries Company
Guardino's Gifts
Long's Fish Company
Lou's Pier 47 Restaurant
Marine Reef Fisheries
Meatball Bait
Monterey Fish Company
Morgan Fish
National Maritime Museum Association
Pompei's Grotto Restaurant
Red and White Fleet
S.B. Tarantino Insurance Brokerage, Inc.
Sabella & La Torre Restaurant
Scoma's Restaurant
Seawin Fish Company
Standard Fisheries
Tarantino's Restaurant
United Shell Fish Company

April 26, 1990

Louis Renne
City Attorney
City Hall, Room 206
San Francisco, CA

Dear Louise:

Enclosed, please find photos of the Franciscan parking lot and the charitable solicitors congesting the adjacent sidewalk. I will be submitting further photographic documentation next week. Also, please find two letters from Port Tenant members whose businesses have been adversely impacted by the proliferation of charitable solicitors.

We appreciate the time and attention you and your office are giving to this matter. Please let me know what additional help we can provide to help you in your effort to remedy this situation.

Sincerely,

Michael Gallette
Director

encls.